

May 16, 2012

Senate Natural Resources, Environment, and Great Lakes Committee

Senate Farnum Building, Room 210

Lansing, Michigan

Dear Senators:

I wish to comment on Senate Bills 1021 and 1022. Luce County is greatly affected by the payment of PILT funds. As you may or may not know, approximately 55% of our land mass in Luce County is owned by the state. These lands include forestland, frontage on numerous streams and rivers, frontage on Lake Superior, several in-land lakes, as well as swamplands. The negative impact upon this county is tremendous when the state fails to pay in a timely manner or fails to pay at all. This county is run by collection of taxes on only 29% of the taxable real estate. The other 16% is currently enrolled in CFR.

Our general fund, with an annual budget of \$2,089,930.08, lost \$74,374.62 in 2011 due to the reduction in payment of PILT monies. That is 3.5% of our budget. Total losses to this county (townships, schools and county government) in 2009 was \$83,423.10; in 2010, \$84,856.73, and in 2011, \$175,669.92.

The lands owned by the state have never been appraised due the vast amount and variations of acreage. However, one could assume that it may generate somewhere in the neighborhood of \$1,922,200; calculated by using the currently taxable land as a base for comparison. That number would increase our operating budget by 91%.

These two bills would assist our county greatly. I strongly urge you to move forward on them.

If you have any questions, please feel free to contact me at 906-293-4853 (daytime) or 906-293-8792 (evenings).

Sincerely,

Phyllis M French

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Chair, Luce County Board of Commissioners

CC: Michigan Association of Counties